

PNC Provides \$15 Million To Finance American Life Redevelopment In Birmingham Opportunity Zone

Historic Former Office Building to Provide 140 New Workforce-Housing Units

BIRMINGHAM, Ala., July 30, 2019 – PNC announced today \$15 million in funding to help transform a vacant, nearly century-old office building into much-needed workforce housing in downtown Birmingham.

The former Stonewall Building, vacant for nearly 40 years, sits in a rapidly evolving neighborhood a few blocks from Birmingham's city hall. It is one of the first adaptive reuse projects in the state to take advantage of the federal Opportunity Zone Program.

"This is the first federal program released in 20 years to help drive long-term, private investment into targeted communities," said Nick Willis, PNC regional president for Greater Alabama. "Through the PNC OPZONE Community Development Fund, we are making a sustainable investment into a development that will not only bring new life to a historic space, but will also serve as a model for others looking to create inclusive growth opportunities downtown."

Located at 2308 Fourth Avenue North, the 84,000-square-foot project will re-open as the American Life Building when completed in late 2020. The renovated building will include 140 one- and two-bedroom flats and loft-style apartments, and a new 1,600-square-foot laundry and fitness facility. Five of the development's units will be reserved for rental to clients of The Dannon Project, a local nonprofit that provides workforce development and other services for underemployed and unemployed residents.

"We know that there are restaurant and retail workers, grad students, health care workers and professionals starting their careers, who would choose to live in the City Center if only they could make the rent," said Ed Ticheli, project owner and developer. "They want to be a part of this incredible renaissance happening in Birmingham. Now, thanks to our great investors – PNC Bank and the City of Birmingham – and Opportunity Zone and historic tax credit incentives, we can build affordable apartments for them right here in downtown."

Ticheli secured an \$11 million equity investment from the PNC OPZONE Community Development Fund, Inc. and a \$4.2 million PNC Bank loan, to help finance the \$24 million redevelopment project. The adaptive reuse project also received a mix of public and private funding, including \$6.24 million in state and federal historic tax credits, \$2 million from Alabama Saves, and an additional \$2.2 million in equity investments from the City of Birmingham and other sources.

"Opportunity Zones have the power to be a transformational tool for neighborhood revitalization," said Birmingham Mayor Randall Woodfin. "For decades, this neglected building has been a constant reminder that even though there are pockets of prosperity in the Magic City, hardship still persists here. As a city, we are working to change that."

Birmingham, like many rapidly growing cities, has a tremendous need for affordable apartments for rent in the \$800-\$1,200 range, which are the target rates for the American Life project, according to the project's construction manager and developer J. Patrick Harwell, Principal of Birmingham-based [LMS Real Estate Investment Management, LLC](#).

"Developers have tried for years to deliver quality urban housing at an affordable price point that attracts investors and also makes sound financial sense," said Harwell. "This project is only possible because of PNC Bank, Opportunity Zone funding, historic tax credits, and assistance from the City of Birmingham." Created as part of the 2017 tax reform law, the Opportunity Zone program provides tax incentives to encourage investment and development in targeted, economically distressed "opportunity zones."

In 2018, PNC established a wholly-owned Opportunity Zone fund to invest in qualified affordable housing,

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economic development and revitalization projects within designated opportunity zones in the company's footprint. The PNC OPZONE Community Development Fund, Inc. uses only PNC gains to capitalize the private fund, and is not open for public investment.

About Ed Ticheli and the American Life Building

Ed Ticheli's housing development career began in 1999, when he self-financed the redevelopment and conversion of a pre-war building in New York City. The Montgomery, Ala., native acquired the former American Life Building property in 2004. Open as the Martin Building in 1925, the building once housed the Birmingham City Commission and the FBI Birmingham Division, and became the headquarters for the American Life Insurance Co. and later the Stonewall Insurance Co. The office building closed in 1983.

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